



SECTION:	Wind Up
INDEX NO.:	W100-276
TITLE:	Natural Termination of a Pension Plan PBA ss. 68 and 69
APPROVED BY:	Superintendent of Financial Services
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REPLACES:	W100-275

This policy replaces W100-275 (Pension Plan With No Members) as of the effective date of this policy.

Note: Where this policy conflicts with the Financial Services Commission of Ontario Act, 1997, S.O. 1997, c. 28 (FSCO Act), Pension Benefits Act, R.S.O. 1990, c. P.8 (PBA) or Regulation 909, R.R.O. 1990 (Regulation), the FSCO Act, PBA or Regulation govern.

*Note: The electronic version of this policy, including direct access to all linked references, is available on FSCO's website at www.fSCO.gov.on.ca. All pension policies can be accessed from the **Pensions** section of the website through the **Pension Policies** link.*

Our pension plan no longer has any plan beneficiaries (members, former members, other persons entitled to benefits from the pension plan). How can the plan be wound up?

The pension plan may be wound up by either the employer or the superintendent, as follows:

- the employer can wind up the pension plan at any time – see section 68(1) of the PBA.
- the Superintendent may order a plan wind up based on any of the grounds set out in section 69 of the PBA. The most commonly applied circumstances would be:

s.69(1)(a) “there is a cessation or suspension of employer contributions to the pension fund”

s.69(1)(d) “a significant number of members of the pension plan cease to be employed by the employer as a result of the discontinuance of all or part of the business of the employer or as a result of the reorganization of the business of the employer”.

Natural Termination of a Pension Plan

An expedited wind up process has been developed which applies only where the pension plan has:

- no members, former members or other plan beneficiaries remaining in the pension plan;
- all benefits settled and the related assets distributed from the pension plan; and
- no assets or liabilities remaining in the pension plan.

This process would allow the administrator to file with the Superintendent of Financial Services, a letter stating:

- name and registration number of the pension plan;
- effective date of the wind up;
- reason(s) for the wind up.

The letter must also confirm that:

- all benefits earned in the pension plan have been provided to former members and other plan beneficiaries;
- all assets in the fund have been paid out;
- Annual Information Returns and all other required filings up to the wind up date have been filed with FSCO.

Assets remaining in the pension plan

There may be cases where all of these conditions exist, except that assets remain in the pension plan. The administrator or the plan sponsor must address the treatment of these assets before the simplified procedure may be used. In this situation, FSCO will consider proposals for treatment of the assets on a case by case basis. Once all assets have been paid out of the pension fund, the simplified procedure set out above can be applied to complete the wind up of the pension plan.